(c) and (d) An amount of Rs. 7,083 crore was collected during financial year 2004-05 out of the arrears of direct taxes. The Task Force on recovery of direct tax arrears coordinated, monitored, and facilitated the efforts of the Income Tax Department towards making such recovery of arrears. An amount of Rs. 20,098 crore was further liquidated from the arrears by way of reduction in appeals, revision, rectification etc., during financial year 2004-05.

(e) The Government is at present considering no significant change in the legislative and administrative framework for recovery of direct taxes.

Measurement of development outcomes of Programmes

2157. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to set up a mechanism which would be put in place to measure the development outcomes of all major programmes;

(b) whether any concrete programme of action plan has been prepared by Government;

(c) if so, whether during the first year focus would be on the outcome of plan schemes;

(d) whether Government have felt the need to improve quality of implementation and enhance efficiency as well as accountability of delivery mechanism; and

(e) if so, to what extent these proposals will be helpful in improving implementation of the major programmes that have been undertaken by the Government in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Monitoring and evaluation mechanisms have been created at various levels at Centre and State as part of the programme guidelines. Programme Evaluation Organisation of Planning Commission carries out evaluation of selected programmes under implementation to assess their impact; the Ministry of Statistics and Programme Implementation also monitors large central projects. A Programme Outcome & Response Monitoring Division has

been set up in Planning Commission to measure physical outcomes of major programmes/schemes.

(c) and (d) Yes, Sir.

(e) These proposals will help in monitoring and assessing the implementation and impact of the major programmes/schemes.

Merger of weak banks with stronger banks

2158. SHRI JESUDASU SEELAM:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether in the first phase of the consolidation in the Indian Banking sector, he is considering the merger of weak banks with stronger banks to strengthen financial position of banks;

(b) if so, the details of weak banks which have been considered;

(c) what are major plans proposed by Government in this regard; and

(d) to what extent it will be helpful in improving banks functioning and profitability?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Any proposal for consolidation by way of merger etc. of one nationalised bank with another nationalised bank has to come from the management of the banks concerned, with Govt, playing a supportive role as the common shareholder. The Boards of Banks have to take a decision in this regard based on the synergy levels of merging/consolidating entities. In his meeting with CEOs of Public Sector Banks (PSBs) held on 18th November 2005, the Finance Minister emphasized that to accelerate the process of consolidation in the banking sector, it is necessary that all the stakeholders are sensitised. The banks have been requested to continue and deepen the dialogue with the employees and officers to obtain a consensus in favour of consolidation.

(d) Small and weak banks pose systemic risks with their low capital adequacy ratio and high NPAs. Consolidation would allow economies of scale in terms of footprint, manpower and other resources. Having Indian Banks of a larger size would also enable them to face competition arising